

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 COME-00 OPIC-12 PA-04 PRS-01

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FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 1248

INFO AMEMBASSY SAN JOSE

UNCLAS SANTO DOMINGO 3381

E.O. 11652: N/A

TAGS: EINV, ECON, PFOR, DR, CR

SUBJECT: COSTA RICAN FOREIGN MINISTER'S COMMENTS ON MULTINATIONAL CORPORATIONS.

1. ACCORDING TO LOCAL PRESS COSTA RICAN FOREIGN MINISTER FACIO MADE FOLLOWING STATEMENT UPON ARRIVAL AT AIRPORT TO ATTEND BALAGUER RE-INAUGURATION: "MNC'S ARE MONSTERS WHICH DO NOT RESPECT THE SOVERIGHTY OF THE COUNTRIES IN WHICH THEY ARE LOCATED. THEY ALWAYS HAVE BUDGETS FOR ALL THEIR NEEDS WHICH ARE LARGER THAN THOSE OF THE STATE. THEY THEREFORE CANNOT BE OPPOSED BY ISOLATED MEANS OF A NATIONALIST CHARACTER".

2. FACIO CONTINUED, "IT IS ABSOLUTELY NECESSARY TO CREATE A REGIONAL OR INTERNATIONAL CODE TO REGULATE CONDUCT OF THESE CORPORATION". THE CODE SHOULD ESTABLISH RULES OF CONDUCT FOR THESE FIRMS AND KEEP THEM FROM MEDDLING IN THE DOMESTIC POLICIES OF THE COUNTRY IN WHICH THEY OPERATE". ACCORDING TO FACIO, MANY OF THE MNC'S RETARD RATHER THAN HELP THE DEVELOPMENT OF THEIR HOST COUNTRIES. HE SAID THAT SOME, "VERY FEW" HELP IN A CERTAIN SENSE.

3. FACIO SAID THAT EXPROPRIATION OF AN MNC IS NOT IDEAL FOR ANY DEVELOPING COUNTRY BECAUSE THE MNC'S ARE ALWAYS

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STRONGER ECONOMICALLY AND CAN ENDANGER THE CONSTITUTIONALITY

OF A GOVERNMENT WHICH DARES TO EXPROPRIATE THEM.

4. FACIO OBSERVED THERE IS A GREAT DIVERGENCE BETWEEN THE UNITED STATES AND THE LATIN AMERICAN COUNTRIES OVER HOW TO TREAT MNC'S. FACIO FELT THAT AT THE PRESENT THERE EXISTED A GREATER SENSE OF UNITY AMONG LATIN AMERICAN COUNTRIES FOR NEGOTIATING WITH THE UNITED STATES "ON THE BASIS OF A MORE EQUITABLE TREATMENT".

5. THE COSTA RICAN CONCLUDED, "THE UNITED STATES IS A SUPERPOWER WHICH MAKES ITSELF FELT IN ANY COUNTRY WHERE IT SEES ITS INTERESTS ENDANGERED: ITS STRATEGY IS BASED ON A DEFENSE OF ITS INTEREST AND IT REACTS IN A STRONG MANNER JUST LIKE OTHER MILITARY POWERS IN THE AREAS OF THEIR INFLUENCE".  
HURWITCH

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
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